

# **MARKETING TO ECHO BOOMERS (REFEREED)**

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## *Abstract*

Consumer segmentation in the wine industry takes on many forms, from demographic, to geographic, behavioral, and others. In the U.S., one of the most promising new demographic segments is the millennial or echo boomer segment, which is being targeted by many consumer industries due to its size and buying power. For the wine industry, this group currently fits the legal drinking age range of 21 to 27. This empirical study describes the perceptions and attitudes of 108 echo boomers regarding wine and what the wine industry can do to better market to them in a responsible manner. Results indicate that there is a need for greater wine advertising to this group utilizing fun, social and relaxed settings; more innovative packaging and labels; a focus on “value” wines; as well as taste enhancements and environmental emphasis.

## *Introduction*

With the recent oversupply of wine on the global market (Penn, 2004), and a persistent plethora of new and/or second or third wine labels being introduced, wine marketing continues to be highly competitive and challenging. Due to this situation, many wine marketing experts recommend that we need to focus our efforts on finding new populations of wine consumers (Gillipsie, 2004; Baenen 2002; Cartiere 2002, Diez 2002;), rather than just redoubling efforts with existing consumers.

In the past, wine marketers in the U.S. focused on the existing population of wine consumers, which are primarily the very large and affluent baby-boomer generation at 80 million strong (Lancaster & Stillman, 2002). This was an effective strategy for many years, when the wine supply and economic conditions were stable. However, now, one of the most promising of the new wine consumer segments is that of the echo boomer or millennial generation in the U.S. Generally viewed as “children of the baby boomers,” the echo boomers are considered to be the largest consumer group in the history of the U.S. in terms of their buying power and represent the future market for most consumer

brands (Harris, 2001). According to the Wine Market Council (2003), this consumer segment is already consuming larger quantities of wine than the previous generation. However, very little research has been conducted on why this group is drinking wine, as well as their viewpoints and recommendations on wine marketing in general.

With this in mind, a research study was designed to identify the perceptions and attitudes of the echo boomer generation towards wine. A videotaped interview format was used to capture in digital film the image and voices of 108 participants. This article describes the results of the study, as well as implications for future wine marketing efforts to this promising consumer segment.

## **Review of the Literature**

### **Customer Segmentation in the Wine Industry**

Market segmentation, or the process of dividing a market into meaningful, relatively similar, and identifiable segments or groups (Zikmund, 1999), is used in multiple industries. In general, segmentation is useful for two major reasons. First, it assists marketing researchers in analyzing the needs of a specific customer segment. Secondly, from the resulting data, it allows marketing campaigns to be focused on these identified needs. In the long run, this allows companies to spend their marketing and advertising budgets wisely while at the same time meeting the needs of the customer. Ideally, this should result in efficient, effective, and profitable marketing and sales efforts.

There are multiple types and levels of segmentation used in various industries, but those used most frequently by the wine industry are those which also fall into the four classic marketing segmentation bases. These are (Zikmund, 1999): 1) Geographic – based on where the customer lives, such as country and/or city; 2) Demographic – based on age, gender, income, social class, etc; 3) Psychographic – based on lifestyle and personality; and 4) Behavioral – based on occasions, benefits, usage rate, readiness stage, attitude, etc.

One of the earliest reports of segmentation was the work of McKinna 1986 (Johnson, 2003) who focused on the geographic segment of consumers in the South Australian wine industry, and then was able to divide this consumer grouping more specifically into a psychographic segmentation based on five wine lifestyles (McKinna, 1986). This research was further expanded upon and empirically validated (Spawton, 1991; Johnson et al, 1991; Hall & Winchester, 1999; Bruwer et al. 2001). The most

recent empirical findings using this lifestyle segmentation suggest that the following five consumer segments are confirmed in the Australian wine market (Johnson, 2003): 1) Conservative, knowledgeable wine drinkers; 2) Image oriented, knowledge seeking wine drinkers; 3) Basic wine drinkers, 4) Experimenter, highly knowledgeable wine drinkers, and 5) Enjoyment oriented, social wine drinkers.

A recent qualitative study conducted in the U.S. (Thach & Olsen, 2005) confirms some of these same psychographic segments, however with a slightly different focus. This study identified five major wine lifestyle themes that ran across all lifecycle phases of U.S. wine consumers: 1) Relaxed Lifestyle; 2) Dining Ambience; 3) Fun & Entertainment; 4) Social Aspiration; and 5) Travel Lifestyle. In this case, segmentation focused on when and why consumers drink wine. Similar studies have been conducted in other countries, such as in France where consumers who engage in certain lifestyle activities, such as listening to classical music, going to the theater and wearing a tuxedo or evening gown were more likely to own a bottle of Bordeaux Grand Cur (Dubois and Laurent, 1995). In Asia, several studies have illustrated that a lifestyle in which consumers pursue prestige is linked to purchasing high-priced wines (Groves & Belk, 1998; Handly & Lockshin, 1988). Understanding of these specific psychographic segments in markets around the globe is the key to tapping into effective global marketing strategies (Spawton & Lockshin, 2004).

Regarding geographic segments in the wine industry, these categories continue to be tracked via a multitude of public and private wine organizations (Nowak et al, 2004). The International Organisation of Vine and Wine (OIV, 2004), headquartered in France, and the Wine Institute (2003) in the U.S. are two examples of organizations which track international consumption of wine and exports for their members. Likewise, most major wine corporations monitor wine consumption rates around the world and in major national markets. Globally, there are reports of wine consumption decreasing in Europe, and increasing in Asia (Gastin, 2004). Whereas within specific countries, geographic segmentation has shown that most wine consumers live near major cities, such as in the U.S. where the largest wine markets are Los Angeles, San Francisco, Miami, Chicago, and Seattle (Wine Business Monthly, 2003).

Regarding behavioral segmentation, some of the most significant work has been conducted by the Wine Market Council (2003) in the U.S., in which they have conducted over ten years of wine consumer research. Their findings segment the U.S.

population by rate of consumption, and they have identified 5 major segments: 1) Super-Core – consume wine daily (2% of U.S. population); 2) Core – consume wine at least 2-3 time per month (10% of U.S. population); 3) Marginal – consume wine at least 2-3 times per quarter (14% of U.S. population); 4) Non-Adopters – do not drink wine, but drink other alcoholic beverages (31% of U.S. population); and 5) Non-Drinkers – do not drink any alcoholic beverages (43% of U.S. population). Of the above segments, the Super Core and Core consume 86% of the wine sold.

Demographic segmentation within the wine industry is often based on age or generation and gender. Though demographic segmentation varies by country (Spawton, 1991; Spawton & Lockshin, 2004), in the U.S. most consumer industries segment this category by the four generations of (Lancaster & Stillman,2002): 1) Traditionalist - born between 1900 and 1945 ; 2) Baby Boomers - born between 1946 and 1964; 3) Generation Xers: - born between 1965 and 1977; and 4) Echo Boomers - born between 1977 and 2000. Currently, the major population of wine consumers in the U.S. are the Baby Boomers, but the newer Echo Boomer generation is quickly catching up (Wine Market Council, 2003).

### **Characteristics of the Echo Boomer Generation**

Also called Millennials, Nexters, and the Y Generation (Harris, 2003; Lancaster & Stillman, 2002; Neuborne, 1999) Echo Boomers are the children of the Baby Boomers. Born between the years 1977 and 2000 (though these years vary slightly by source), there are approximately 76 million Echo Boomers in the U.S. Even at their current young age, they are attributed to have annual incomes totaling \$211 billion; spend approximately \$172 billion per year and save \$39 billion per year (Harris, 2003). According to Fernandez-Cruz (2003), “quickly surpassing its parent generation, Generation Y has grown up in a media-saturated, brand-conscious world, and is keeping advertisers on their toes (p.1).”

According to KeyFindings (2004), this market segment has very high purchasing power. They not only have a lot of their own money, but they influence family purchases. Many perform the grocery shopping for their families, and have been given parent co-signed credit cards (Neuborne, 1999) at a young age. Research shows that they are savvy when it comes to brands (Moriarty, 2004), and value quality products when sold at a fair price (KeyFindings, 2004).

Why drives their purchasing behavior, and what type of marketing campaign works best with this group? The answers can be found in the six (6) major traits and/or characteristics of this new generation (See Table 1). The first of these is that they are **Technology Savvy**. They were the first U.S. generation to grow up virtually 100% connected to the Internet (Harris, 2001). In addition to email, the Internet is their primary source of information and they trust it. A recent study (Moriarity, 2004) found that Echo Boomers spend an average of 16.7 hours per week on the Internet, excluding email. They use it for shopping; in chat rooms; for research; and to keep up with fashion, music, and other trends. Instead of being overwhelmed by all of the information available, Echo Boomers are empowered by the possibilities of the Internet (Moriarty, 2004).

**Table 1: Echo Boomer Traits & Corresponding Marketing Implications**

<b>Echo Boomer Traits</b>	<b>Corresponding Market Implications</b>
Technology Savvy	Use integrated media approach, with emphasis on Internet
Optimistic, But Practical	Use marketing messages that focus on value and quality, but with no slick advertising – just unvarnished truth voiced by everyday people.
Embrace Diversity	Show diversity in all advertisements; emphasize universal values; and consider focus on specific cultural values.
Believe in Balance and Fun	Conduct market research to tap into what is perceived as fun, quirky, and outrageous.
Environmentally and Socially Conscious	Emphasize business practices that are socially and environmentally responsible.
Entrepreneurial	Market to emphasize family businesses, ethnic groups, and social responsibility.

Another trait is the fact that they are **Optimistic, But Practical**. Raised by the positive Baby Boomer generation, they have a “can do” attitude (Lancaster & Stillman, 2002) and believe they can make a difference in the world. They are attracted to companies that are more idealistic and where the work they do can have an impact on

the world (BusinessWire, 2004). On the other hand, they are also quite practical. Research shows they have very specific goals on what they want to do in their life; they are financially savvy, and they don't like owing money (Harris, 2001). This latter characteristic is linked to their focus on finding quality brands at a fair price.

Another offshoot of their practicality is their emphasis on telling the truth. They dislike anything that is perceived as phony (Fernandez-cruz, 2003). Indeed they are much more attracted by advertising that is “disarmingly direct,” and are not swayed by celebrity endorsements (Neuborne, 1999). These characteristics imply that marketers need to focus on messaging that portrays the “unvarnished truth” voiced by “everyday Echo Boomers.” The message needs to be optimistic, practical, and with a focus on value and quality.

A third trait of this group is that they **Embrace Diversity**. Not only have they grown up in an age in which diversity was taught in school, but a full one-third of the Echo Boomer generation is non Caucasian (KeyFindings, 2004). Because of this, they often question any marketing that is not inclusive. In addition, they are highly influenced by minority cultures in terms of music, sports, dress, and language.

The fourth major characteristic of this market segment is their **Belief in Balance and Fun**. Though part of this may be due to their relatively young age, they tend to believe that life should be enjoyable, and that even shopping should be fun – not a chore (KeyFindings, 2004). Though focused on finding good careers and ready to begin work, they exhibit “a well-balanced mixture of mind and heart (Harris, 2001; p. 1).” They want responsibility on the job, but also seek flexible work hours and creativity. Indeed some of the most successful advertising to date for this generation, has been labeled as fun, quirky and slightly outrageous (Fernandez-Cruz, 2003). An example of this is a VW car commercial in which two young guys use their new car top pick up an old chair that has been left on the sidewalk for trash (Neuborne, 1999). This type of advertising is unusual and confusing to the Baby Boomer generation, and marketers who haven't yet caught onto the fun, quirkiness of the Echo Boomers have lost market share to newer brands which do (Neuborne, 1999).

The marketing implications here are to conduct consumer research to tap into what the Echo Boomer generation regards as “fun.” Traditional marketing research methods can work here, but some companies are utilizing teen panels and street teams (Neuborne, 1999; KeyFindings, 2004) as new methods to obtain insight into this new generation.

The fifth characteristic of this group is that they are ***Environmentally and Socially Conscious***. Part of the social consciousness comes from their diverse racial backgrounds, but due to the pervasive media environment in which they've grown up, they are very aware of burning social, as well as environmental, issues on a global basis (Harris, 2001). Because of this, companies which have been accused of inhumane labor practices or poor environmental stewardship have felt the distain of Echo Boomers in their boycott of products and services (BusinessWire, 2004; Neuborne, 1999.)

A final characteristic of the Echo Boomers is their ***Entrepreneurial*** nature. According to a recent study (BusinessWire, 2004), more than half of the graduating Echo Boomers believe they will own their own business in the future. They also saw their parents as successful in work, with three in four of them coming from families with working mothers; and one in four being raised in single-parent households (Neuborne, 1999). This entrepreneurial spirit is most likely enflamed by their optimistic nature and desire to make a difference in the world, as well as their environmental and social consciousness.

Examining the characteristics and traits of the Echo Boomer generation is useful for marketers, as it suggests new marketing strategies to reach this large and affluent segment. Indeed, according to Neubourne (1999), "marketers who don't bother to learn the interests and obsessions of Gen Y are apt to run up against a brick wall of distrust and cynicism (p. 4)."

### **Methodology**

A survey research methodology was employed for this study. A questionnaire was developed asking about Echo Boomer wine drinking frequency, reasons to drink wine, perceptions of wine drinkers, and their recommendations regarding future wine marketing strategies (see Appendix 1). The survey was designed in consultation with Stallcup & Associates, a wine marketing firm with an excellent track record in consumer research, as well as reviewed by a small group of Echo Boomers to validate the word choices. Since the purpose of the study was to identify perceptions and attitudes of echo boomers regarding wine, and this was a new audience, it was determined that the survey would be administered in a face-to-face interview format and recorded on digital video (DVD).

A total of 110 interviews were conducted, with 108 usable video interviews. A convenience sample of Echo Boomers attending college in Northern California was used for this research. Though the location of the sample is considered to have a higher

percentage of wine drinkers than other parts of the U.S., it should be noted that many of the college students came from other parts of California, and some were from other parts of the U.S. or abroad. The age range of the sample was 21 to 27, with the average age being 23. Fifty-one percent of the sample was male and 49% were female. Respondents were not asked to identify their racial category, though the videotaped images suggest a mixture of Caucasian, Hispanic, Asian, and African-American backgrounds.

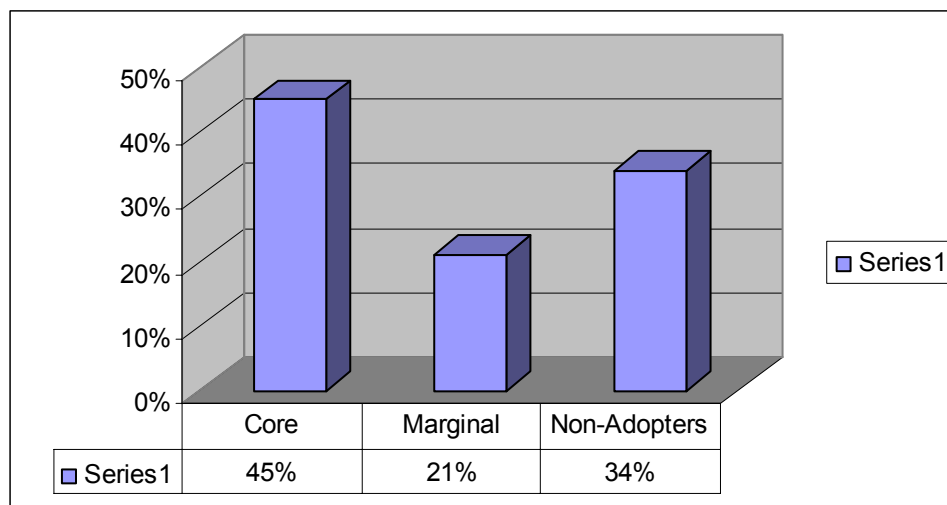
Interviewees were asked if they were willing to participate in the interview and be videotaped. All signed permission forms agreeing to the videotaped interview, including recognition that segments of the tape might be shown in classes and/or at conferences.

The data were analyzed by viewing the DVD interviews on computers, and the responses were recorded. Frequencies and averages were calculated for quantitative answers. Using qualitative techniques, the open-ended questions were analyzed using a thematic coding process. Codes were then summed to determine the relative strength of each theme.

### Results

The first major question category asked respondents if they drank wine or not. Based on their positive or negative response, a series of follow-up questions were used to gather further information on frequency of wine consumption, type of wine or other beverage preferred; and reasons to prefer or dislike wine. Figure 1 illustrates the percentage of this sample which consumes wine. It is interesting to note that 66% of the sample drinks wine. This is much higher than the national U.S. average of only 26%.

**Figure 1: Percentage of Wine Drinkers in the Sample**



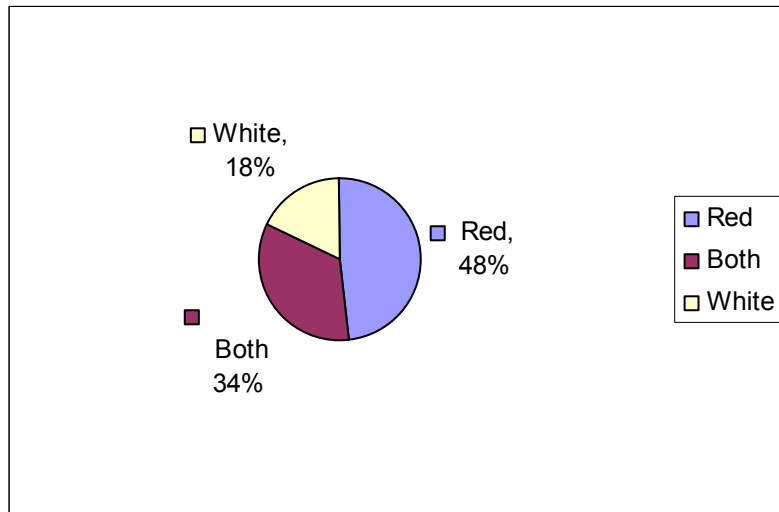


### **Perceptions of Echo Boomers Who Drink Wine**

Of the 66% who drink wine, 48% preferred red, 18% preferred white, and 34% liked both red and white. When asked why they liked red wine, the most common responses were because it was fruity, smooth and went well with food. The sample did not seem to prefer highly tannic red wines. The most commonly preferred type of red wine mentioned was merlot, with zinfandel coming in second. Respondents who preferred both types of wine, indicated that the reason was they enjoyed the variety of trying different flavors with different foods.

Those who preferred white wines also mentioned their preference for fruity wines, but also cited an appreciation for sweeter white wines. Chardonnay was mentioned most often, however, other white varietals such as pinot grigio and gewürztraminer were listed as well. An interesting side note was that 6 females in the sample who stated they did not drink wine, reported that what they liked to drink instead was champagne. This seems to indicate that these interviewees did not realize that champagne was a wine product.

**Figure 2: Preferred Type of Wine**



Regarding reasons to drink wine, respondents were asked an open-ended question on why they drink wine, and encouraged to provide multiple responses if relevant. There were 109 reasons were provided by the 66% of the sample who drink wine. These were coded and sorted according to major theme (see Table 2). Of these, the most prominent theme, at 31%, was that they liked the taste of wine. The second most cited reason for drinking wine was because it goes well with food (18%). The third reason was that it helps them relax (15%).

An interesting fourth theme (9%) was that wine provided them with a “happy buzz.” When probed on this response, most explained that wine was not a good alcoholic beverage to “get drunk with” like beer or spirits. Instead they saw wine as a beverage to drink with friends and family, in order to relax and have with food. These types of answers are reassuring to many wine industry advocates who are concerned with wine being consumed in moderation and safety.

**Table 2: Reasons Echo Boomers Drink Wine**

<b>REASONS</b>	<b>FREQ.</b>	<b>%</b>
I Like the Taste	34	0.31
It Goes Well With Food	20	0.18
It Makes Me Relax	16	0.15
It Gives a Happy Buzz	10	0.09
It's a Good Social Drink	8	0.07
I Drink Wine With Family *	7	0.06
I Like the Variety of Types/Flavors	6	0.06
To Educate Myself	2	0.02
For Digestive/Health Reasons	2	0.02
Other	4	0.04
<b>TOTAL</b>	<b>109</b>	<b>1.00</b>

Another interesting finding with the 66% who drink wine, is that 45% stated they were introduced to wine by a family member. This makes sense, as their parents, the Baby Boomers, are currently the largest demographic segment in the U.S. to consume wine. It is feasible that many Echo Boomers were introduced to wine by a parent. Of those who were not, many stated that a friend had introduced them to wine.

### **Perceptions of Echo Boomers Who DO NOT Drink Wine**

Of the 34% in the sample who stated they did not drink wine, not all could state a reason why. Of the 28 responses received to this question, the most common theme was they did not like the taste (57%). When probed on taste, common answers were “too flat, bitter, not carbonated, too thick, and not sweet enough.” Other reasons they did not drink wine came in at much lower percentages (see Table 3), and ranged from “Too ritzy, not cool,” to “Red wine stains my teeth.”

**Table 3: Reasons Echo Boomers DO NOT Drink Wine**

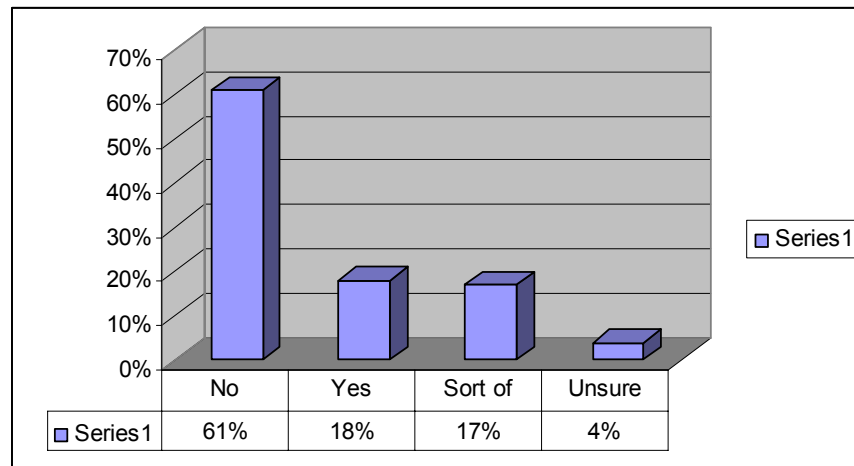
<b>REASONS</b>	<b>FREQ</b>	<b>%</b>
I DON'T Like the Taste	16	0.57
It's too ritzy; not cool	3	0.11
I don't know about wine	2	0.07
It gives me bad hangovers	2	0.07
Red wine stains my teeth	2	0.07
Other	3	0.11
TOTAL	28	1.00

When asked what they drink instead of wine, the respondents were almost equally divided between beer and spirits, with 53% stating they drink beer and 47% reporting they drink spirits. Some said they drink both, and added champagne to the mix (as previously stated). When probed on the types of mixed drinks, the answers ranged from vodka and gin, to Bloody Marys and Apple Vodka with Sprite.

### **Is Wine Hip or Cool?**

An interesting question on the survey, provided in consultation with Echo Boomers when designing the survey, was whether or not wine was considered to be hip or cool. If respondents answered in the negative, they were then queried as to what would make it more hip or cool? Here the results were rather negative (see Exhibit 2), as 61% reported that they didn't see wine as hip or cool, while only 18% said “yes,” and 17% said “sort of.” Another 4% were “unsure.”

### Exhibit 2: Is Wine Hip or Cool?



Regarding responses on what would make wine more hip or cool (See Table 4), 79 answers were received with the most prevalent theme being the rather negative response that “Wine is too elite to be hip or cool (20%). However, closely following this concept was the recommendation to “market wine to the younger generation (19%).” This suggests that this group doesn’t see wine in the hip or cool category, but that perhaps by marketing more towards the Echo Boomers, it can at least get more recognition as a beverage that is targeted to their needs.

**Table 4: Suggestions to Make Wine More Hip/Cool**

SUGGESTION	FREQ	%
It's Too Elite To Be Hip/Cool	16	0.20
Market To Young Generation	15	0.19
Not Sure	11	0.14
Not Possible	5	0.06
Easier More Portable Packaging	5	0.06
Associate With Cool People	4	0.05
Cooler Labels	4	0.05
Have at More Events	3	0.04
Educate People On Wine	3	0.04
Lower the Price	2	0.03
Other	11	0.14
TOTAL	79	1

### **Events Associated With Wine**

Another survey question asked Echo Boomers about the type of events they associate with wine (see Table 5). Respondents were encouraged to list as many choices as possible with this open-ended question, and a total of 150 responses were received. The major response was nice dinners at 23%, with the remainder of the events all falling at an 8% response rate or below. However, in reviewing the events, most are associated with more formal occasions, rather than the relaxed, fun occasions which Echo Boomers seem to prefer in their trait profile. Events such as weddings, jazz concerts, fancy parties, and museum outings were listed quite frequently, and are all associated with the “Elite, too Ritz” response listed by Echo Boomers who do not drink wine.

**Table 5: Events Associated With Wine As Perceived By Echo Boomers**

<b>TYPE OF EVENT</b>	<b>FREQ</b>	<b>%</b>
Nice Dinners	35	0.23
Weddings	12	0.08
Special Events	10	0.07
Elite & Formal Events	9	0.06
Family Occasions	8	0.05
Jazz Concerts	8	0.05
Museums	8	0.05
Fancy Parties	8	0.05
Wine Tastings	7	0.05
Art Events	6	0.04
Music Concerts (not jazz)	6	0.04
Social Events	5	0.03
Dates (with girls)	4	0.03
Food and Meals (not fancy)	4	0.03
Holidays (e.g. Christmas)	4	0.03
49ners Fans	2	0.01
Casual Get-togethers	2	0.01
Other	12	0.08
<b>TOTAL</b>	<b>150</b>	<b>1</b>

### **Suggestions to Encourage More Wine Consumption at Reasonable Levels**

The sixth question category in the survey asked respondents to provide suggestions on what the wine industry can do to become more consumer-driven. This was clarified with a follow-up question emphasizing that the intent was to get more people to drink wine at reasonable levels. Again, there were multiple responses from many of the interviewees, with a total of 135 suggestions. When coded into major themes, the results indicate two major findings as illustrated in Table 6.

The first of these themes was to broaden the current market focus to more diverse audiences at 27%. Many of the Echo Boomers felt that current wine marketing was only focused on an older, white market segment, and that it was leaving out many other groups – specifically their generation. The second major theme was to advertise more (24%). Many Echo Boomers commented that they rarely, if ever, see wine advertising; whereas the competitors, such as beer and spirits; inundate this market segment with TV, online, and prints ads. Other thematic suggestions included reducing the price (13%), more consumer education (8%), and providing more wine tasting opportunities (7%).

**Table 6: Marketing Suggestions to Increase Wine Consumption**

<b>MARKETING SUGGESTIONS</b>	<b>FREQ</b>	<b>%</b>
Broaden Market Focus to Diverse Audiences (Market to Us!)	36	0.27
Advertise More	32	0.24
Reduce Price; Provide Good Quality	18	0.13
Educate Consumers on Wine; Simplify	11	0.08
Provide More Wine Tasting Opportunities	10	0.07
Better Packaging	4	0.03
More Wine Bars	3	0.02
Promote Health Benefits	2	0.01
More Music Concerts	2	0.01
Other	17	0.13
<b>TOTAL</b>	<b>135</b>	<b>1</b>

When probed on the type of advertising that would be successful in encouraging more people to drink wine at reasonable levels, this Echo Boomer sample came up with 70 suggestions (Table 7). When coded and sorted by theme, two major and quite similar themes were identified. Both at 27%, the first theme suggested ads that focus on people having fun and drinking wine with no specific reference to the age of the people in the ad. The second major theme recommended a focus on young people drinking wine, but not necessarily emphasizing the fun aspect. Other interesting suggestions were to mimic beer commercials, and substitute wine for beer; and emphasizing the natural or organic way in which wine is made – based on sustainable grape growing practices and stewardship of the land.

**Table 7: Ad Suggestions**

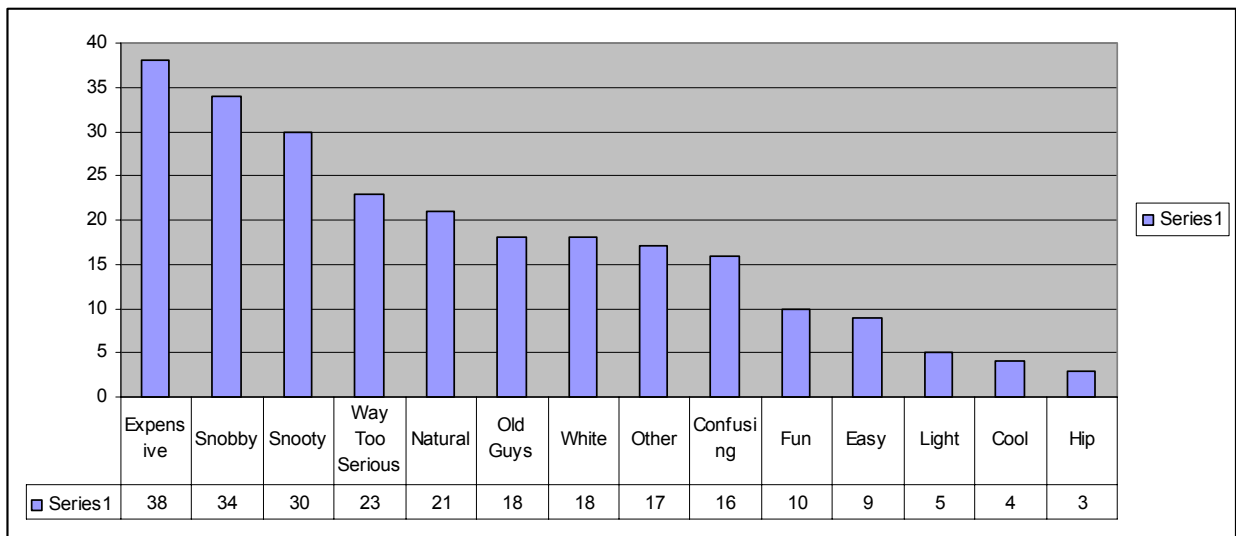
<b>SUGGESTIONS</b>	<b>FREQ</b>	<b>%</b>
Show people having fun and drinking wine	19	0.27
Ads with young people drinking wine	19	0.27
Just like a beer commercial, but with wine	8	0.11
Show the <i>natural</i> way wine is made	5	0.07
Find a good wine slogan for ads	5	0.07
Show people eating food and drinking wine	3	0.04
Show wine as part of romance	3	0.04
Promote sexy wine commercials	3	0.04
DO NOT promote sexy wine commercials	3	0.04
Show wine with sports	2	0.03
TOTAL	70	1

When probed on the specific type of media with which to advertise, there was no one specific media mentioned. Instead, a variety of media platforms, ranging from TV, to print, and online were mentioned – but all with a focus in the areas in which they currently receive advertising. Examples include television programming that they watch, such as “Friends” and reality TV shows. Females recommended print advertising in magazines they read, such as *Cosmopolitan*, *Glamour*, and *People*. Online advertising was based on the online forums or websites they visit. This supports research described in the literature review which recommends an integrated media approach for advertising (New Sunday Times, 2004).

**Descriptors for Wine and the Wine Industry**

The last question on the survey was quantitative in nature, and provided a list of adjectives for interviewees to review. The adjectives had been used in previous U.S. wine industry consumer surveys (WineVision, 2003; Wine Market Council, 2003). Respondents were asked to select as many of the adjectives as they wanted to describe their current perception of wine and the wine industry. Exhibit 3 illustrates the results. Altogether this sample selected 246 descriptors for wine from the list.

**Exhibit 3: Echo Boomer Descriptors for Wine**



Here again the findings were skewed rather on the negative side with adjectives such as *expensive*, *snobby*, *snooty*, and *way to serious* being identified most frequently. The first positive term, *natural*, with 21 responses, came in fifth on the list. Again, this is the perception that wine is made of natural, organic substances from the earth – which is perceived positively by Echo Boomers and fits the trait of being concerned with environmental issues. The more positive terms, such as *fun*, *easy*, *light*, *cool*, and *hip* were identified much less frequently by this sample.

Regarding the *other* category, in which the respondents were allowed to state their own descriptors, these were also on the rather negative side. Some of the responses included: “*Fancy*, *Upper class*, *Yucky*, *Not Fun*, *Prestigious*, *Distinguished*, *Uptight* (2), *Rich People*, *Sophisticated* (3), *Elite*, *Over-rated*, *Elegant*, *Touristy*, and *Laid back*. With the exception of a few of these adjectives, most are not very complimentary towards wine or the wine industry.



## Implications

This research study was one of the first of its kind to explore the perceptions and attitudes of the Echo Boomer generation regarding wine. The results support previous research studies which identify Echo Boomers are drinking more wine than the previous Generation X (Wine Market Council, 2003; Hood, 2004). More importantly, this research illustrates that Echo Boomers see wine as a good beverage to drink with food, to relax, and for social occasions with family and friends; however many also see it as pretentious, elite, and not focused on their generation and needs.

Specifically this research identifies some opportunities for wine marketers to reach this important demographic segment in the U.S. Following are a list of seven (7) recommendations based on the results of this research and linked to the specific needs and traits of the Echo Boomers.

1) Make It Fun: a common theme running throughout this research was the need to make wine more fun. This was the top suggestion in terms of methods to encourage more wine consumption at reasonable levels. This also matches with the traits of Echo Boomers, in that they desire more fun and balance in their lives (Harris, 2001; Fernandez-Cruz, 2003; Neuborne, 1999). Wine marketers could accomplish this by adding Echo Boomer humor to advertising, as well as creating more fun and colorful labels. Some of the more recent “animal labels” in bright colors, such as Yellow Tail, Little Penguin, Rex Goliath, and Smoking Loon, which are also selling quite well (Hood, 2004; Fredrickson, 2005), seem to match this need. However, there is more room for innovation on this front.

An important element of this “fun” focus is to preserve wine’s image as a beverage of moderation. Currently Echo Boomers do not see it as an alcoholic beverage to abuse, but rather as a beverage to enhance a situation and consume with food, family, and friends. When making wine “fun,” it should not be cast in “wild, party scenes,” but in the more positive settings they have identified. This may mean that wine may not be as “hip/cool” as vodka, but that it can take its place as a positive beverage of moderation in the U.S. to enhance a well-balanced and fun lifestyle. This would also support the current Code of Wine Marketing Ethics adopted by many U.S. wineries (Perdue, 1999; WineInstitute, 2003).

2) Emphasize Food & Taste Connection: Many Echo Boomers identified wine as an excellent beverage to be consumed with food. In the videotaped interviews, several

explain this in further detail by suggesting that the combination raises both food and wine to a higher level. Marketers can emphasize this food connection in advertising, and link it to specific taste profiles of Echo Boomers.

Those who drink wine state the number one reason is because they enjoy the taste; however on the flipside, those who don't drink wine, state they find the taste bitter and unsatisfactory. There is an opportunity to do more flavor profiling research with Echo Boomers to tap into the specific tastes they do enjoy in wine. Qualitative comments in this research suggest that most prefer a lighter, fruitier style, verses the traditional heavily oaked and tannic styles of the past. Many of the lower-priced wines from Australia seem to match this profile. This research study did not include a question on preferred brands, but this would be a good question for future studies with this population.

The fact that 48% of this sample preferred red wine supports trends found in other research. In a recent poll of restaurants in the U.S., Greene (2005) found that 60% of the wine consumed in restaurants is now red. This is quite different from findings in previous years, when the preferred wine was white, and usually a chardonnay. Again, this presents an opportunity to explore in more detail this preference for red wine taste and the linkage to food.

3) Advertise With Diversity: a third marketing opportunity presents itself in the need to design advertising with diversity in race, age, and nationalities. This suggestion appeared quite frequently in the data, being number one for marketing suggestions, number two for ad suggestions, and the main recommendation to make wine more hip/cool. Indeed this is one of the major traits of the Echo Boomer generation, and marketing campaigns in other industries have failed by not recognizing this requirement to show diversity (Neuborne, 1999). However, a quick analysis of current wine advertising shows that very little diversity of race or age is present, and indeed, in many cases, current advertising only shows wine bottles and ratings. This type of myopic focus on bottles and ratings only further casts wine into the realms of snootiness for Echo Boomers.

4) Focus on Family & Friends: a positive area of focus for wine marketers is the Echo Boomers perception that wine is an excellent beverage to share with friends and family. Likewise, they also see it as a beverage to help them relax alone or with friends, and to enhance a situation or social setting. Again this supports their trait of having fun

and balance in life. Advertising that promotes these types of settings and images should attract the attention of Echo Boomers, as long as the ads are direct and unpretentious.

5) Promote Value Equation: the price of wine was mentioned several times in this study, and generally in a negative light. The number one adjective to describe wine was “expensive,” and the third place recommendation to help market it was to reduce the price, or emphasize the value equation. The trait of practicality in Echo Boomers was relevant in much of this feedback. Qualitative comments on the videotape show that they perceive wine to be either “too cheap or too expensive.” They are seeking a middle priced wine that offers a consistently good taste at a value price. They are also seeking solid brands to support this.

Though the survey did not include a question on price, videotaped comments show that a price range of up to \$10 for everyday wine, and up to \$20 for special occasion wine, was satisfactory. The fact that the majority of this sample were college students and do not have full-time careers or a steady source of income at this point, has some bearing on these price points. However, if they begin to buy and enjoy lower priced wine in their early twenties, their chances of appreciating higher priced wines in the future is higher. This suggests that there is an opportunity for well-branded entry-level or value-priced wine categories with this group, with the opportunity to “upgrade” to a higher priced version of the brand in the future.

6) Use Alternative Packaging: a lesser mentioned aspect of this research, but still apparent in the data, was the suggestion to use alternative packaging. When asked to elaborate on this suggestion, qualitative comments on the videotape show Echo Boomers recommending the use of screw caps, plastic containers, smaller containers, and multi-pack containers (like a 6-pack of beer) for wine. Several thought that the current wine bottle, which requires a cork screw to open, was too complicated and only served to emphasize wine’s image as stuffy and outdated. Many wanted wine to be more portable in order to take to the beach, a game, or go back-packing with it. Others just wanted it to be simpler to open.

The use of alternative packaging is currently a hot topic in the U.S. (Poulos et al, 2005), however the types of containers the Echo Boomers are requesting have been available to wine consumers in other countries for many years now. France, Italy, Australia, New Zealand, and Chile all offer their wine consumers a myriad of packaging choices ranging from light and portable to traditional and elegant. There is definitely an

opportunity to use this type of packaging for Echo Boomers, which the caution that it be matched with good branding and perceived wine value.

7) Mention “Green” Aspects of Wine: a final area identified in this research was the perception that wine is considered to be “natural” and a positive product of the earth. Since a major Echo Boomer trait is to be concerned with Social and Environmental Equity issues, the multiple sustainable winegrowing practices that are being implemented around the world are a great opportunity for marketing campaigns. Indeed several respondents suggested that more educational information on how wine is made, but put in simple terms, would be very welcome.

### **Limitations**

This research is limited in several ways. The primary drawback to the findings is the sample’s location in Northern California, which is one of the major wine growing and consumption areas in the U.S. (Wine Business Monthly, 2003). The fact that some respondents were from other parts of California, the U.S. and abroad, is helpful, but the convenience sample is still a limitation. Another issue is the relatively small size of the sample. Both these factors limits the generalizability of the results. Ideally future research will include a larger population employing random sampling techniques.

### **Future Research**

The limitations of this study open up many opportunities for future research; the first of which is to duplicate the study in other parts of the U.S with larger and random samples. It would be interesting to see if the wine consumption rates and perceptions of Echo Boomers in the MidWest and East Coast are similar to those in Northern California -- though rates of consumption have been identified as relatively higher than Generation X across the U.S. (Wine Market Council, 2003). Duplicating this study in other countries may not make sense, as the demographic of the Echo Boomer is quite unique to the U.S. Indeed, data show that consumers in their 20’s in France and Italy are actually drinking less wine and perceive it to be old-fashioned because their parents drank so much of it; whereas the same demographic in the U.K. and Asia are drinking more wine (Smiley, 2004).

Another opportunity in future research is to add additional questions to the current survey. Items on brand and pricing preferences would be useful, as well as more detailed information on preferred tastes of wine and food-wine combinations.

Finally, a redesign of the survey instrument to be more quantitative in nature may be useful with larger samples.

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## Appendix 1:

### Echo Boomer Interview Questions

Ask the following questions. Use appropriate probes as necessary. It is permissible to let interviewees see the questions in advance.

1) Do you drink wine?

2) **If yes:**

- a) How often?
- b) What kind?
- c) Why do you like to drink wine?
- d) Did your family drink wine?

3) **If no:**

- a) Why not?
- b) What do you drink instead?

4) Do you think wine is hip, cool? What would make wine more hip/cool?

5) What events do you associate with wine? Probes: Concerts, Jazz, Museums, Frat parties, Foot ball games, etc?

6) What do you think the wine industry should do to become more consumer-driven? To get more people to consider drinking wine in reasonable levels?

7) If you could produce an ad to get people to drink wine what would it look and sound like? Would you do it on radio/TV/online/print?

8) Looking at this list (hand them the list) which of the following words best describes the wine industry:

Expensive\_\_\_\_\_

Fun\_\_\_\_\_

Light\_\_\_\_\_

Easy\_\_\_\_

Natural\_\_\_\_

Cool\_\_\_\_

Hip\_\_\_\_

Snooty\_\_\_\_

Snobby\_\_\_\_

Old guys\_\_\_\_

White\_\_\_\_

Way to serious\_\_\_\_

Confusing\_\_\_\_

Other \_\_\_\_\_